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## Challenges of managing an ageing workforce

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### Abstract

Increasing life expectancy and other demographic changes affect labor market and its demographic. In this context, the aim of this paper is to examine an age management issues in education organization. Considering on it, this paper presents a brief literature review of managing an ageing workforce. The literature review involves analysis of older workers position in the labor market, active ageing concept and age management features. Based on theoretical analysis of managing the ageing workforce empirical research was provided. Results show that investigated organization should pay greater attention to workplace characteristics improvement, especially to job design and ergonomics.

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**Keywords:** Human resource management; age management; age diversity; older workers.

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### 1. Introduction

The world's population structure is constantly changing. These changes affect various areas of public life: economy, health care system, social security and others. Population ageing becomes one of the most important problems in the world, especially in Europe (Mockus, Žukaitė, 2012). On the other hand, the growing numbers of older persons, declining birth rate raise new challenges and open new opportunities. It is forecast that in 2030 the EU will have over 123 million people aged over of 65, while in recent times this rate is 87 million (Eurostat, 2012). Researchers also emphasize that, changes in the education system affected the duration of people's being in the labor market. Changes in the pension systems allow people to use early retirement opportunity and leave their job a little earlier (Northcott, 2011). In this context, the number of employees in the labour market is decreasing. This situation

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promotes to look for tools that could help human resources to use more effectively and one of the ways is elderly employee's potential's usage.

According to Charness, Czaja (2006) today's older generations are healthier and better educated than previous. They are more active, and aim to stay at work much longer. As the TNS Opinion & Social survey has shown, 70% of respondents expect that they will be able to perform their job at the age of 60 years, 42% think that they will work successfully of 65. The choice to continue working after reaching pension age depends on the occupation. Self employed and managers are more likely to continue working over entering retirement age while more than half manual workers tend to stop working (Special Eurobarometer 378, 2012).

Statistics shows that older workers are willing and are able to work longer; nevertheless young and older workers are treated differently in the workplace and one of reason for that is their different age (Bal, Reiss, Rudolph, Baltes, 2011). According Rapolienė (2010), elderly workers are often portrayed negatively. Older workers are accompanied by various negative stereotypes that affect their access to employment, training opportunities and job performance. How McGregor and Gray (2002) research has shown that according employers, older workers are: reliable, loyal, committed to the job and willing to stay longer in the job. On the other hand, research also shows that such job characteristics as computer experience, innovation, creativity, enthusiasm are the least typical for older workers. According Bal et al. (2011) it is common to think that workers of this age group are less likely to adapt to new tasks, and resist change. Bal et al. (2011) also stress that "attitudes toward older individuals are generally more negative than attitudes toward younger individuals" (p. 689).

It is often assumed that worker's knowledge and skills decline with age. Beck (2009) highlights that, "older workers' productivity is not reduced by their age but by skill obsolescence" (p.10). Aaltio, Salminen, Koponen (2013) also accept that the presumption of existing connection between decline in skills and abilities and increasing age is incorrect. These misguided assumptions influence employers' behavior and human resource practices in organizations.

This situation encourages a growing emphasis on the concept of active aging which highlights that "if people are to work for a longer period of time, then they will need to be in good physical and mental health, with access to more flexible working arrangements, healthy workplaces, lifelong learning and retirement schemes" (European Union, 2012, p. 37). The European Union pays more attention to active aging: life and working quality assurance; one of the evidence is that the 2012 year was imposed for Active Ageing and Solidarity between Generations.

As the review of the literature shows, definition of age management means that "age related factors should be taken into consideration in daily management, including work arrangements and individual work tasks, so that everybody, regardless of age, feels empowered in reaching [their] own and corporate goals" (Ilmarinen, 2012, p.2). So in order to ensure the productivity of various age groups it is essential to provide proper working conditions and take more attention to organizations members' age management practices.

Fabisiaik&Prokurat (2012) have pointed out that age management can be examined from the individual, organization or macroeconomic labour market policy perspective. Their findings confirm that recruiting, training, development and promotion of employees' age optimization, implementing lifelong learning programmes, health and safety programmes and flexible forms of employment could be the main measures and tools to maintain the core competencies and competitiveness in organization. Dumay& Rooney (2011) indicated that shorter tenure, various locations of workplace, temporary contracts, age and gender, comparative wages in different sectors, mobility of employees and portfolio of needed skills are mainly expected changes of the workforce at organization level. Streb et al (2008), Voepel&Streb (2010) proposed five organizational action fields to manage the aging workforce: „managerial mindsets“, „knowledge management“, „health management“, „human resource management“, „work environments and physical tools“.

To summarize, the population aging affect changes in the labor market. Changes in workforce lead to organizational challenges that human resource management has to be prepared to face and cope with them. Consequently, organizations should find and implement appropriate human resource measures to manage aging workforce and ensure smooth performance.

The purpose of this paper is to examine age management practices and challenges at the organization level. An empirical research was implemented at the institution of high education in Lithuania.

This study is based on scientific literature analysis, questionnaire survey statistical data structuring and evaluation methods.

Practical implications. Paper presents the results of empirical research carried out by the project "Best Aged Lighthouses" funded by the Baltic Sea Region Programme however survey findings could be used not only for assessing the real situation in particular organization, but also could be beneficial in seeking ways how to improve problematic areas in other sectors or organizations.

## 2. Method

Quantitative research method has been chosen to research challenges of managing an ageing workforce. According to Babbie (2010) quantitative methods emphasize on objective measurements and numerical analysis of data collected through questionnaires or surveys.

Questionnaire of survey has been prepared based on the theoretical findings. The questionnaire has been designed in a way that it would allow to analyse five main age management dimensions which are important at the organizational level (Walker, 2005):

- Job recruitment and exit processes management;
- Training, development and promotion of older employees;
- Opportunities of flexible workplace;
- Workplace ergonomics and job design;
- Abilities to change their attitudes to ageing workers.

The survey was carried out in the department of university and involved 90 respondents representing four age groups from 24 to 70 years. Examination of the empirical results was based on comparative analysis and synthesis. Authors explore respondent's choice distribution by age groups and evaluate relationships between age and other variables.

## 3. Results

In order to know how effectively organization manages its job recruitment and exit processes, respondents were asked is the situation concerning business needs in their organization e.g. difficulty in recruiting or lack of skilful staff, challenging. Analyzes of results has shown that 45,6% of respondents disagree with this statement while 15,6% approve that situation in their organization is challenging.

Training, development and promotion also are very important in the age management context so respondents were asked have they enhanced ageing workers' skills and knowledge by providing them with training and development opportunities. It was identified that 31,1% of respondents agree with this statement however more than half respondents (52,2%) are not sure.

The concept of active ageing encourages flexible working practices, so respondents were asked do all employees have equal opportunities for flexible solutions to the work/life balance in their organization. It was found that 43,3% of respondents think that they have equal opportunities while 42,2% are not sure.

Workplace ergonomics and job design strongly influence quality of employee's work performance. According Walker (2005) "For those ageing workers that are experiencing physical decline it is possible to modify the workplace in order to assist them to maintain their productivity" (p.693). Survey results have shown that one of the problematic areas in particular organization is rehabilitation services. Only 7,8% of respondent agreed with the statement that they have provided ageing workers with access to rehabilitation services to recover their work ability.

If organizations want to make positive changes they should change their attitudes to ageing workers. Respondents of particular organization were asked do their organization recognize the invaluable competence and skills of older workers. Analyzes of the survey results has shown that more than half respondents (52,2%) agree with this statement. These results prove that organization value older workers and their experience.

The analysis of empirical results shows some differences and similarities between the four age groups (table 1). All age groups expressed similar approach to the learning opportunities in particular organization; however attitude to situation concerning age strongly differs between younger and older age groups.

Table 1. Agreement with the questionnaire statements expressed in percentage by 4 age groups

Agreement with the statement:	Age group			
	24-34	35-44	45-54	55-70
The situation concerning age, the ageing workforce or life course in our organisation is challenging.	14	12	43	37
Organisation has enhanced ageing workers' skills and knowledge by providing them with training and development opportunities.	38	39	29	38
In organisation all employees have equal opportunities for flexible solutions to the work/life balance.	52	42	29	25
Organisation has provided ageing workers with access to rehabilitation services to recover their work ability.	14	4	0	25
Organisation recognises the invaluable competence and skills of older workers.	62	52	43	25

#### 4. Conclusions

This paper presented an analysis of aging management issues and practices at organizational level. Our findings from the literature review and empirical research argue that organizations should elaborate an effective human resource management system focused on age management issues.

Firstly, analysis indicates that younger age groups believe that the situation in the particular organization related to aging workers are not challenging, while the older age groups feel that situation isn't good. If organization wants to reach positive result it should pay more attention to their employees' needs, working conditions and work environment improvement. Lines with the favorable working environment employees feel better and it encourages them to work longer.

Second, organization should pay greater attention to employee's competencies, rather than to their age, because some work-related characteristics do not depend on age. For example, the research showed that job satisfaction does not depend on age.

Third, knowledge and experience transfer have to be taken into consideration. Survey results shows that new young employees lack practical skills and experience. Properly designed job recruitment and exit processes will ensure to avoid a gap of core and needed competencies.

Fourth, older workers frequently are associated with negatives stereotypes that interference their employment, career planning and work performance. Positive organizational perception of older employees leads to good their health, performance, satisfaction of work environment, willingness to transfer and share good experience. Empirical research results shows that organization value older workers and make efforts to promote ageing employees; however it has some problems with job ergonomics.

Finally, all these issues are essential and related one to another. Age management initiatives are beneficial for all age groups. Organizations should think how to align age and human resource management with organizational needs and strategic goals.

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